



## Legislation Text

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**File #:** 20-0126, **Version:** 1

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Department of Transportation recommending the Board discuss the Grant Funding and Local Serving Share of Non-Residential Employment component of the 2020 Major Update to the Traffic Impact Mitigation Fee Program and provide staff and their consultants with input and direction. (Est. Time: 1 Hr.)

**FUNDING:** Traffic Impact Mitigation Fee Program.

### **DISCUSSION / BACKGROUND**

On September 17, 2019 (Item 32), the Board of Supervisors (Board) directed Department of Transportation (Transportation) to accelerate the 2020 Major Update to the Traffic Impact Mitigation (TIM) Fee Program. This is the fourth workshop to discuss policy items related to the TIM Fee Program.

#### Grant Funding.

Transportation had made multiple presentations to the Board regarding the TIM Fee Program last year. On April 22, 2019 (Item 5), Transportation gave the Board a presentation on the background of the TIM Fee Program and how the fees evolved into the current program. On May 14, 2019 (Item 40), the Board adopted Resolution 072-2019 for the 2019 TIM Fee Schedule Annual Update, additionally; the Board heard Item 41 on funding and directed staff to move forward with the major update to the TIM Fee Program.

Grant funding for road capacity projects have significantly diminished. On August 6, 2019 (Item 21) and August 12, 2019 (Item 18), the Board considered adopting an interim update to the TIM Fee Program to address the projected loss of grant funding. However, in September the Board directed staff to accelerate the 2020 Major Update and to address the lessened grant funding during the update process.

The El Dorado County Transportation Commission (EDCTC) Executive Director, Woodrow Deloria has addressed the Board on the amount of grant funding that can be expected for road capacity projects and provided a letter (August 6, 2019, Item 21, Attachment 2A) regarding the funding projections. Additionally, EDCTC staff provided Transportation with the grant funding projections for the next 20 years (August 6, 2019, Item 21, Attachment B). Transportation verified that the EDCTC believes the data provided in August 2019 remains relevant.

During the 2016 Major Update, the Board determined that the grant funding would only be used for the following categories: 1) affordable housing offset, 2) external trips, and 3) non-residential offset. The total amount of projected grant funding was not used for these three categories in order to be conservative. The discussion on the grant funding was detailed in the Board Memo for the August 6, 2019 (Item 21, Attachment A) Board meeting and is attached for ease of access (Attachment B). Two different levels of funding for the non-residential offset were presented in August, and Transportation staff is requesting the Board direct staff as to whether one of these proposed levels should be utilized, or a different level or alternative category allocation should be included in the on-going Major

Update.

#### Local Serving Share of Non-Residential Employment

At the request of Transportation staff, Economic & Planning Systems, Inc. (EPS) prepared an update to a memorandum prepared in 2005 evaluating the relationship between residential and nonresidential growth. In the 2005 memorandum, EPS evaluated growth in residential, employed resident, and employment populations over a 10-year period spanning from 1990 to 2000. EPS concluded that 65 percent of commercial (retail/office) jobs in the County serve the local population. The County then used approximately this percentage (64 percent) in the County's Traffic Impact Mitigation (TIM) Fee Program to shift all non-residential equivalent dwelling units (EDUs) to residential uses to account for a local-serving share of non-residential employment. This allocation has been consistently applied to the TIM fee programs since 2005.

EPS has updated the 2005 memorandum. Similar to the 2005 memorandum, EPS evaluated recent trends in residential, employed resident, and employment populations. EPS derived data from the California Department of Finance and the United States Census for the 10-year period spanning from 2007 to 2017.

EPS recommends considering using the current percentage of local-serving jobs in the County (62 percent) as the basis for shifting non-residential EDUs to residential uses in the County's TIM Fee. In addition, EPS recommends considering reviewing the employment data in conjunction with each future update of the TIM Fee to determine if the percentage shift remains appropriate. Finally, the County should contemplate whether to retain its current methodology of shifting all non-residential EDUs to residential uses or to apply the percentage shift attributable to local-serving jobs to only those land uses housing local-serving jobs (retail commercial and office uses).

#### **ALTERNATIVES**

Alternative funding categories, allocations or levels can be proposed and discussed during the consideration of this item.

#### **PRIOR BOARD ACTION**

On May 14, 2019 (Item 41), the Board directed staff to move forward with the Major Update to the TIM Fee Program. On September 17, 2019 (Item 32), the Board directed staff to expedite the 2020 Major TIM Fee update and provide public outreach by holding workshops at the Board. On October 8, 2019 (Item 26), the Board received Technical Memorandum 1A: Vehicle Miles Traveled Based Equivalent Dwelling Units Rates, Technical Memorandum 1B: Fee Rates by Size of Single-Family Unit, Technical Memorandum 1C: Age-Restricted Fee Category, and the proposed schedule for the Major Update to the TIM Fee Program and Capital Improvement Program (CIP). On October 22, 2019 (Item 21), the Board approved Agreement 4324 with DKS Associates in the amount of \$300,000 to provide staff assistance in developing the Major Update to the TIM Fee Program and CIP. On November 19, 2019 (Item 35), the Board approved the use of a 0.70% annual growth rate for residential growth and 0.67% annual growth rate for non-residential growth for the next twenty year period for the TIM Fee Major Update. On December 17, 2019 (Item 53), the Board gave direction to staff to continue to pursue the eight (8) TIM Fee Zones and to explore a 20 year Benefit Cost Analysis.

#### **OTHER DEPARTMENT / AGENCY INVOLVEMENT**

Planning and Building Department

CAO  
County Counsel

**CAO RECOMMENDATION / COMMENTS**

It is recommended the Board receive and file the report and provide direction to staff.

**FINANCIAL IMPACT**

There is no change to Net County Cost associated with this agenda item.

**CLERK OF THE BOARD FOLLOW UP ACTIONS**

N/A

**STRATEGIC PLAN COMPONENT**

TIM Fee funding is a major funding source for the CIP, which is a vital part of the Infrastructure component of the County Strategic Plan. Adequate infrastructure is necessary for the Economic Development component and is a requirement of the County General Plan. Safe roads are a crucial factor in the Public Safety component of the County Strategic Plan.

**CONTACT**

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